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## SNAPSHOT

# Giving Credit to Entrepreneurship

### **USAID's agricultural credit program is revamping Afghan agriculture**



*Haji Malang will use his new agriculture loan to expand his business and provide additional jobs.*

Photo credit: USAID/ADF

***With an Agricultural Development Fund loan, Haji Malang's company has grown to become the first large-scale manufacturer of wheat and rice threshers and farm trailers in Afghanistan.***

Haji Malang used his welding skills to establish the Javid Afghan Thresher company six years ago and it has grown into the first large-scale manufacturer of wheat and rice threshers and farm trailers in Afghanistan. The company, based in the eastern city of Jalalabad in Afghanistan, recently obtained a loan from the Agricultural Development Fund.

USAID provided the Government of the Islamic Republic of Afghanistan with a \$100 million grant to establish the Agricultural Development Fund. During the first four years, the U.S. Government is also providing the Afghan government with technical assistance to manage the fund.

Haji Malang is one of 5,800 Afghan farmers and agribusiness entrepreneurs who have benefitted from the USAID supported agricultural credit initiative, seven months after it was launched. An innovation of the program is the introduction of Sharia-compliant financial products, in agreement with the religious and cultural norms of the country.

With financial support, Javid Afghan Threshers will manufacture components previously imported from China and Pakistan, leading to a projected 20 percent increase in production and 60 new jobs. The increased output will benefit more than 1,200 farmers that will have access to first-stage processing, reducing post-harvest losses and increasing their incomes.

"I always dreamed that Afghanistan would one day manufacture its own agricultural machinery. Access to bank services gave me the opportunity to be part of this process, create new jobs and help farmers," said Haji Malang.

With investments like this, USAID is supporting the growth of commercial agriculture in Afghanistan, facilitating the transition from a subsidies and grants to fully commercial financial services.